

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

Notice PF-187

**For:** State and County Offices

**August 1 Critical PFC Deadline**

**Approved by:** Acting Deputy Administrator, Farm Programs

*Bradley Karmen*

**1 Overview**

**A**

**Background**

August 1, 2002, is the final date for producers to sign PFC to:

- earn FY 2002 production flexibility contract (PFC) payments
- enroll a resulting farm of an FY 2002 reconstitution
- report successions-in-interest for FY 2002
- resolve payment share disputes for FY's 1996 through 2002.

Payments shall be issued to **eligible** producers, no later than September 30, 2002, because CCC's authority to issue Agricultural Market Transition Act (AMTA) payments is rescinded as of October 1, 2002.

Authorization codes will not be issued after September 30, 2002, for any year, even if PFC was approved timely. **There is no authority to issue AMTA payments after September 30, 2002, for any reason.**

National Office has been informed that certain producers who acquire an interest in PFC acreage during FY 2002, and after PFC payments have been issued, may be reluctant to sign a revised PFC in anticipation of receiving a full direct payment under the Direct and Counter-Cyclical Program (DCP).

National Office has also received information that State Offices may be holding relief cases from various program areas for SED review and consideration according to equitable relief provisions in Section 1613 of the Farm Security and Rural Investment Act of 2002 (the Act).

Equitable relief provisions and applicability will be provided in forthcoming procedure.

**B**

**Purpose**

This notice provides guidance on completing PFC activities.

**Disposal Date**

October 1, 2002

**Distribution**

State Offices; State Offices relay to County Offices

## 2 Completing PFC Activities and Preparing for AMTA Expiration

---

### A

#### FY 2002 PFC Successions

Producers who succeed to PFC acreage during FY 2002 are required to file a revised PFC on or before August 1, 2002. In the event producers fail to timely notify FSA of a succession-in-interest and fail to correctly designate FY 2002 PFC shares:

- all PFC payments issued on FSN must be refunded
- DCP contracts for the 2002 crop year may be approved for these farms **only if** the 2002 succession-in-interest has been correctly designated on PFC.

County Offices shall inform producers, who acquire an interest in PFC acreage after 2002 PFC payments have been issued, that failure to timely sign a revised PFC will result in the loss of 2002 DCP benefits.

---

### B

#### Equitable Relief Authority

Federal regulations are being developed to provide SED's with relief authority in certain situations, according to equitable relief provisions in Section 1613 of the Act.

The new equitable relief provisions will apply only to cases in which the producer's action or inaction that resulted in their ineligibility to earn a payment occurred on or **after May 13, 2002**. Accordingly, SED's will **not** have relief authority under the equitable relief provisions for FY 1996 through FY 2002 PFC or other cases, if the producer's action or inaction occurred before May 13, 2002.

---

Continued on the next page

## 2 Completing PFC Activities and Preparing for AMTA Expiration (Continued)

---

### C

#### Pending PFC Relief Cases, FY 1996 Through FY 2001

COC's and STC's shall expedite reviewing and submitting any pending relief cases for FY's 1996 through 2001; however, relief cases shall be limited to those for which relief is warranted. STC's shall:

- ensure that cases for which relief is warranted are submitted to DAFP as soon as possible, and not later than **August 1, 2002**
- submit **all** necessary information with the case file, as required by 2-PF, subparagraph 196 or 197, as applicable.

**Note:** Well organized case files with accurate explanations allow for expedited DAFP review. Although every effort will be made to process relief requests received after August 1, 2002, there is no statutory authority to issue AMTA payments after September 30, 2002, for **any** reason.

---

### D

#### Authorization Code Requests

In cases where FY 1996 through FY 2001 payments are due producers and DAFP relief is **not** required, County Offices shall submit requests for authorization codes according to 2-PF, paragraph 198, to PECD, Common Provisions Branch as soon as possible, but not later than August 1, 2002.

**Note:** Although every effort will be made to process requests for authorization codes received after August 1, 2002, AMTA payments shall not be issued after September 30, 2002, for **any** reason.

---

### 3 Action

---

#### A County Office Action

County Offices shall:

- continue to publicize PFC provisions and deadlines, according to 1-PF
- process and review available reports to determine which PFC's are not approved

**Note:** County Offices are encouraged to compare shares on FSA-578 and FY 2002 PFC to determine whether a PFC revision is **required**.

- advise producers to make every reasonable effort to obtain all required signatures and documentation for FY 2002 PFC on or before August 1, 2002
- inform producers with valid payment share disputes for FY 1996 through FY 2002 that payments shall not be issued unless their disputes are resolved on or before August 1, 2002

**Note:** COC shall provide assistance in resolving payment share disputes, according to 1-PF, subparagraph 255 E. COC shall approve PFC for payment as disputes are resolved or in cases where a share dispute is no longer considered to be valid.

- issue PFC payments to **eligible** producers by September 30, 2002.

There is **no statutory authority** to issue AMTA payments after September 30, 2002.

---

#### B SED Action

SED's shall:

- submit requests, as applicable, for authorization codes, meritorious relief, and relief under the misaction/misinformation provisions, as soon as possible but not later than August 1, 2002
- ensure that requests are properly documented, well organized, and include all of the information required by 2-PF, paragraph 196, 197, or 198, as applicable.

**Note:** Although every effort will be made to process requests received after August 1, 2002, there is no statutory authority to issue AMTA payments after September 30, 2002, for **any** reason.

---